

Indian Maritime University
(A Central University, Govt of India)
End Semester Examinations – December 2025
Programme Name: BBA [ML]
Semester: III

Subject Code: UG32T1301

Subject Name: COST AND MANAGEMENT ACCOUNTING

Date: 05.12.2025

Max Marks: 70

Duration: 03 Hrs

Pass Marks: 35

General Instructions

- (i) All Sections (A, B & C) are to be attempted.
- (ii) Options, if any, are specified in respective section.

Section A

Ten MCQs/Fill in the Blanks of 01 Mark each – Choose the correct answer as applicable.

1. Batch costing is most appropriate in:

- a) Printing press
- b) Power generation
- c) Banking
- d) Road construction

2. Labour cost is classified as:

- a) Fixed and variable
- b) Direct and indirect
- c) Controllable and uncontrollable
- d) Standard and marginal

3. _____ costing method accumulates costs by department or activity and then assigns those costs to products?

- a) Job order costing
- b) Process costing
- c) Activity-based costing
- d) Absorption costing

4. Contribution =

- a) Sales – Fixed Cost
- b) Sales – Variable Cost
- c) Fixed Cost – Variable Cost
- d) Profit – Fixed Cost

5. The CVP analysis helps in:

- a) Financial reporting
- b) Decision making
- c) Auditing
- d) Cost classification

6. Which of the following is NOT an objective of cost accounting?

- a) Ascertainment of cost
- b) Control of cost
- c) Recording of financial transactions
- d) Decision making

7. Absorption costing includes:

- a) Only variable cost
- b) Only fixed cost

- c) Both fixed and variable production costs
d) Only administrative cost
8. Performance budgeting focuses on:
a) Input measurement
b) Output or results achieved
c) Past financials
d) Fixed cost
9. Standard cost is:
a) Historical cost
b) Marginal cost
c) Actual cost
d) Predetermined cost
10. Responsibility accounting deals with:
a) Identifying responsible persons for performance
b) Preparing budgets only
c) Maintaining ledgers
d) Controlling profits only

Section B

Five Questions of 02 Marks each

11. Define Activity-Based Costing? Explain its features.
12. What is Economic Order Quantity?
13. Calculate (1) BEP and (2) Margin of Safety
Sales Rs.10,00,000
Variable Cost 75%
Fixed Cost Rs. 1,00,000
14. What are the advantages of Budgetary Control?
15. Discuss the Benefits of Standard Costing.

Section C

Seven Questions of 10 Marks each of which any 05 questions to be answered

16. Explain the various methods of costing.
17. Mr. Ramji provides the following data relating to the manufacturing of a standard product during the month of July, 2025. You are required to prepare Cost Sheet and find the cost profit/loss.
- Raw Material consumed Rs. 6,00,000
Direct Labor Charges Rs. 2,00,000
Direct Expenses Rs. 1,00,000
Factory overhead Rs. 50,000
Factory supervision Rs. 25,000
Administrative overheads 25% on Works Cost
Selling overhead Rs. 5 per unit
Units produced 25,200

Units sold 24,000 @ 75 per unit

18. ABC Company Limited, the total number of employees at the beginning of the year was 5,000. By the end of the year, 5,600 employees had left 400, and 550 new employees were hired. Calculate the labour turnover ratios?

19. Define Standard Costing. Describe its characteristic features and highlight the benefits derived from its application in cost management.

20. A company is producing 50,000 units of a component but needs an additional 50,000 units to meet demand. The production costs for the component are:

Direct Materials: Rs. 20 per unit

Direct Labor: Rs. 10 per unit

Variable Overhead: Rs. 5 per unit

Fixed Overhead: Rs.1,00,000

The external supplier offers the additional 50,000 units at Rs. 36 per unit.

Should the company make or buy the additional 50,000 units?

21. Define Budget? Write its merits and demerits.

22. A company produces standard Quantity of Raw Material of 50,000 Kgs of a product., and the standard price is Rs. 10 per kg. The actual Quantity of Raw Material used is 52,000 kg, and the actual price paid is Rs. 11 per kg. Calculate (1) Material price Variance (2) Material usage variance (3) Material cost variance.

